

ADVERTISING COMPLIANCE | BILLING DISCLOSURE

The logo for Swing Birds, featuring the word "SWING" in a stylized, blocky font where the letters are interconnected, and "BIRDS" in a smaller, bold, sans-serif font below it.

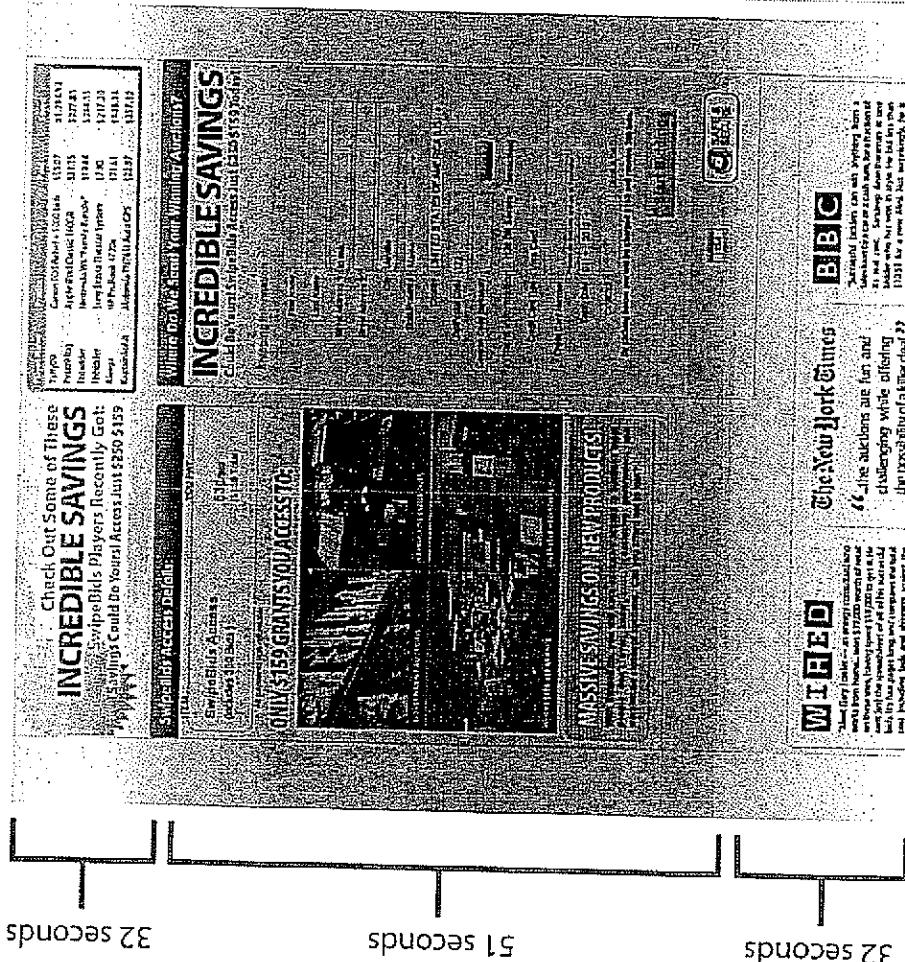
## AVERAGE VIEW TIME PER USER

AVERAGE VIEW TIME PER USER (referenced from www.clicktale.com)

PI Exhibit 6 Page 00320

A heat map shows the amount of time users spend with their web browsers scrolled to particular areas of a page. The yellow areas are viewed an average of 32 seconds per user, while the darker orange/red areas indicate an average of 51+ seconds per user.

With the majority of our pricing information within the red heat map zone, we feel this gives users an adequate amount of time to view and understand the cost of the membership.



ADVERTISING COMPLIANCE | COMPLAINT REDUCTION EFFORTS



## Complaint Reduction Efforts



## ADVERTISING COMPLIANCE | COMPLAINT REDUCTION EFFORTS

SwipeBids has received a total of 52 customer complaints through the Better Business Bureau. Compared to our total number of over 598,220 registered customers, less than 0.01% of those have filed complaints.





## ADVERTISING COMPLIANCE | COMPLAINT REDUCTION EFFORTS

Steps were taken to ensure our customers are satisfied, resulting in fewer complaints.

### **VIP Support Team**

Department dedicated to our regular customers, answering any questions or complaints that may arise

### **24/7 Live Chat**

Quick, easy on-site method for customers to talk with a representative if they have any questions or concerns

### **Google Alerts**

Full time PR employee with Google alerts responding to online forum complaints, and posting resolutions

### **Domestic U.S. Call Center**

- All calls handled by domestic U.S. call center employing over 100 Americans
- Low hold times - average hold time of 46 seconds in June 2010, ensuring customer concerns are dealt with immediately
- 90% of calls are evaluated to ensure top quality customer care
- 99% of calls maintained a high quality score

(continued on next page...)



## ADVERTISING COMPLIANCE | COMPLAINT REDUCTION EFFORTS

(...continued)

### **60-day Money Back Guarantee**

Easy refund policy: If customers don't win any auctions, they have 60 days to contact SwipeBids.com for a full refund of their initial sign-up cost

### **Many Monthly Winners**

Over 2000 items won and shipped per month. To review recent winners, please visit [http://www.swipebids.com/all\\_past\\_winning\\_auction.php](http://www.swipebids.com/all_past_winning_auction.php)

### **Shipping Confidence**

Tracking numbers are posted in winners section as proof of product shipment

### **Quality Products**

To date, four 2010 Honda Civics have been sold to customers



ADVERTISING COMPLIANCE | BRAND PROTECTION

We've ensured that our site is 100% compliant with every section of BrandProtection's advertising and marketing guidelines, as shown on the next page.

The full BrandProtection Compliance Guidelines documentation can be viewed here:  
[http://brandprotection.org/BP\\_Guidelines.pdf](http://brandprotection.org/BP_Guidelines.pdf)



## ADVERTISING COMPLIANCE | BRAND PROTECTION

Our site is 100% compliant with every section of BrandProtection's advertising and marketing guidelines, as shown below:

- Representations and Claims
- Endorsements and/or Testimonials
- Disclosure of Material Terms
- Disclosure of Additional Offers
- Customer Relations
- Order Fulfillment
- Transaction Violations



ADVERTISING COMPLIANCE | THANK YOU

## Thank You

Thank you for taking the time to review our presentation.

Sept 3, 2010

888-9707 110 st.  
Edmonton AB, T5K 2L9

**ATTN: Mr. Rayn Fraessi**

Dear Mr. Fraessi

We see that we have been bumped up to a B- rating, this is very exciting to us, and we are certainly looking forward to our continuing relationship and forging ahead to finally achieve your highest A+ ranking.

To demonstrate our dedication to this process, we are moving forward with applying to become an Accredited BBB Member at this time, as well as applying to join your National Corporate Partner program. We feel we would be of great benefit to this program as we manage the leading penny auction website in Canada and the United States, and through our cooperation we can help to regulate an industry that has become the hot topic of speculation in recent times due to the underhanded policies of some of the less reputable sites online today.

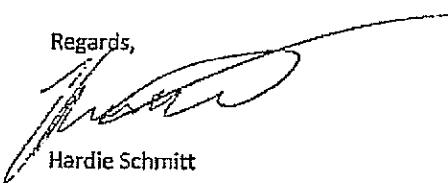
We are this week updating our name from "SwipeBids" to "SwipeAuctions". We have been researching this name change for quite some time now, and we feel that it more accurately captures the essence of the site as well as it will help alleviate customer confusion and differentiate ourselves from the many other "bid" sites on the internet today. (ie. Quibids, Bidcactus, BidRivals, Bidhere, etc.)

Swipebids is a multinational company, doing business in Canada, the United States, United Kingdom, Australia and New Zealand, and continues to grow in daily reach as well as popularity. According to Alexa.com's traffic metrics, we enjoy nearly the same daily reach as sites such as eHarmony.com, a very popular and heavily advertised dating site, and Classmates.com, a very popular social media site. Swipebids has now attained over one million registered customers and enjoys well over 1000 members online at any given time of day. In light of these numbers, we feel that Swipebids has a similar customer to complaint ratio as many of the top fortune 500 companies.

We greatly value the work that the BBB has done to protect consumers and act as a regulator in the business community, and we wish to continue to work hard to meet and exceed all expectations, and always be clear and forthright and respectful with our dealings with the BBB.

I would like to again thank you for taking the time to read this letter as well as the attached presentation that we have prepared that details our place in the online community. We look forward to working with you and becoming an accredited BBB member.

Regards,



Hardie Schmitt

Advertising Executive

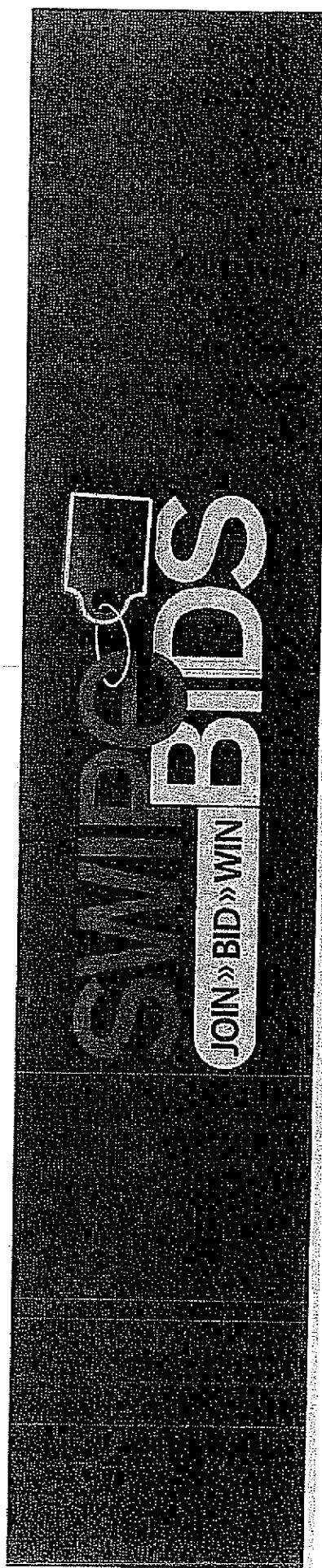
SwipeAuctions.com

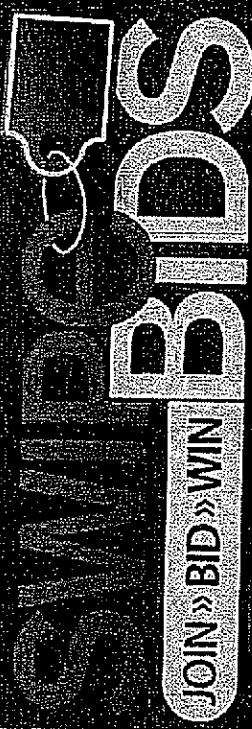
Email: [Hardie@swipeauctions.com](mailto:Hardie@swipeauctions.com)

Mobile: 780.224.8171

**Brozek Attachment E**

## Our Dedication to Customer Satisfaction





## Our Dedication to Customer Satisfaction

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## Our Dedication to Customer Satisfaction Understanding Our Complaint Ratios



### Understanding Our Complaint Ratios

In an effort to help bring perspective to our customer inquiries vs. our satisfied customers, we have compiled data which is presented on the following pages.

## Our Dedication to Customer Satisfaction Understanding Our Complaint Ratios



**SwipeBids has received a total of 98 customer inquiries through the Better Business Bureau. Compared to our total number of over 1,001,175 registered customers, less than 0.01% of those have filed inquiries.**

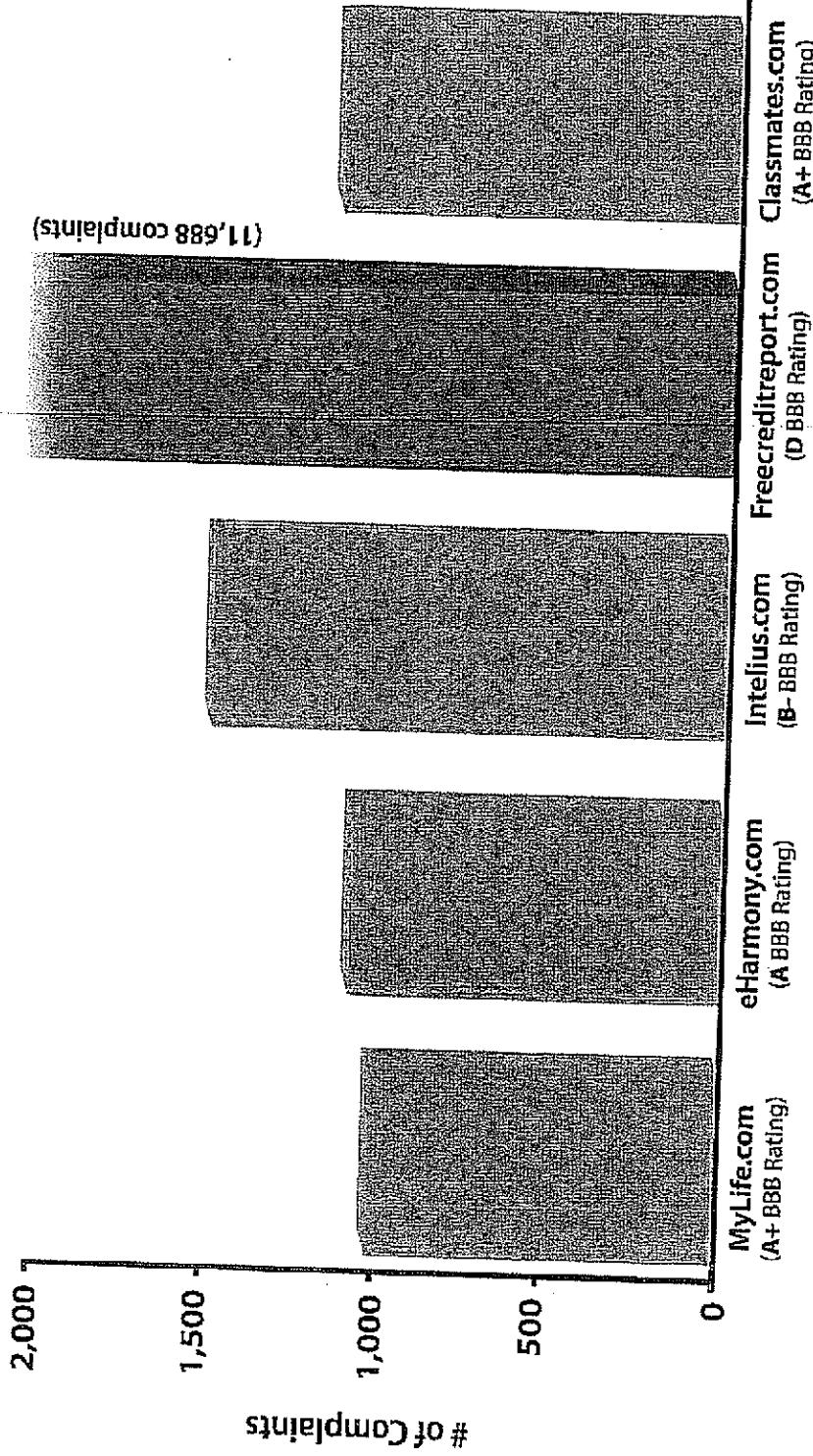
**Customers Who Did Not File Inquiries  
Over 99.99%**

**Customer Inquiries  
< 0.01%**

**Our Dedication to Customer Satisfaction  
Understanding Our Complaint Ratios**

**Compared to other online businesses with similar website traffic rankings (based on alexa.com\*), BBB complaints filed against us are comparitively low, as shown below:**

**COMPLAINTS COMPARISON**

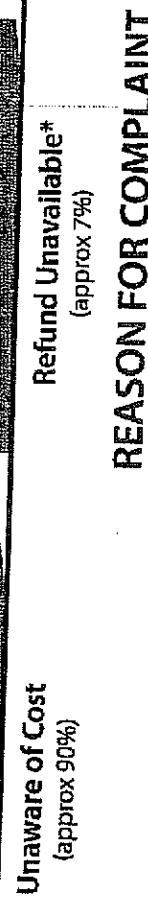
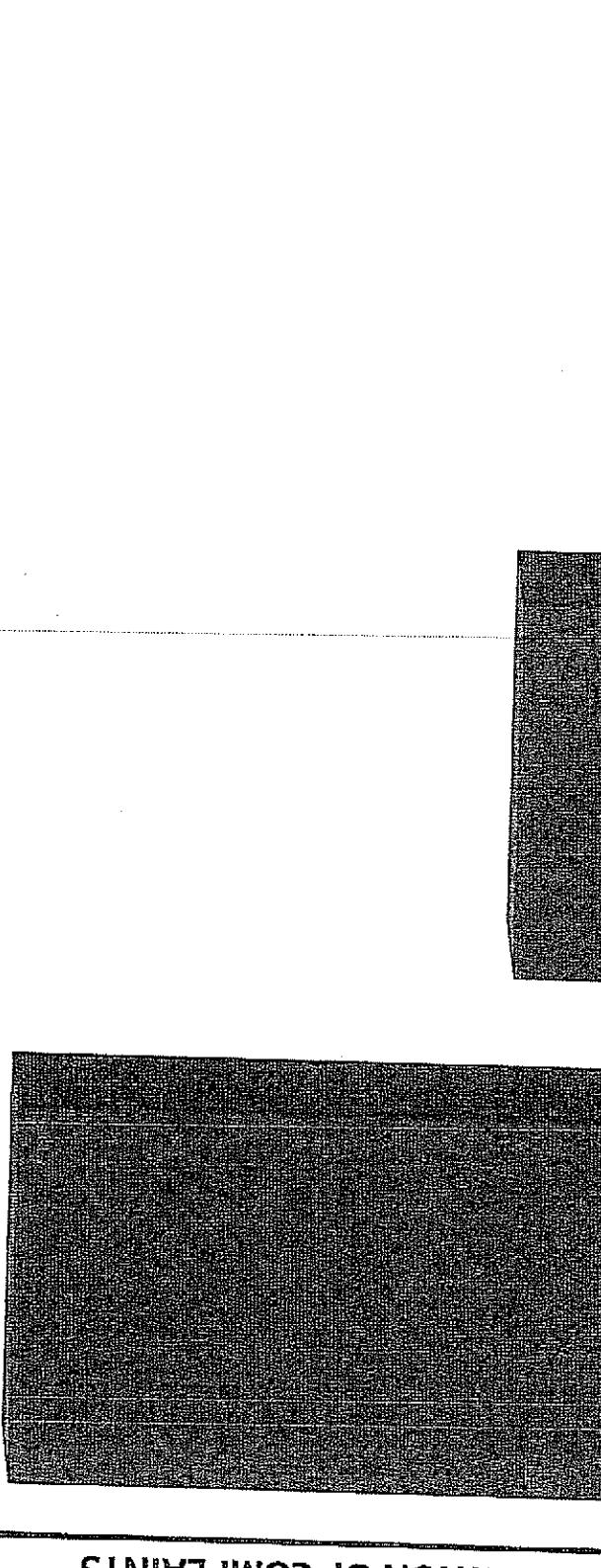


\*alexa.com is the currently the most reputable and reliable source for website traffic rankings on the Internet.

## Our Dedication to Customer Satisfaction Understanding Our Complaint Ratios

After breaking down the customer inquiries into categories, the area of greatest importance becomes clear. We're working hard to address this area, as we've covered in the next section of this presentation.

### COMPLAINTS BREAKDOWN



\*refunds were temporarily unavailable due to merchant account issues.

### REASON FOR COMPLAINT

**Our Dedication to Customer Satisfaction**  
**Billing Disclosure**



**Billing Disclosure**

Based on our customer inquiry research, we have discovered that some customers are not aware of the cost to join SwipeBids. In an effort to eliminate customer confusion we have improved our billing disclosure drastically.

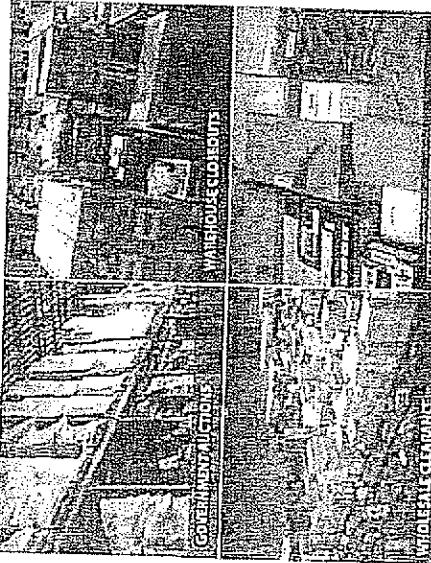
## Our Dedication to Customer Satisfaction **Billing Disclosure**

# INCREDIBLE SAVINGS

Check Out Some of These  
Savvy Savings Ideas Before You Visit America's USA! 52501 11551

SwipeBids Access  
(Includes 300 Bids)

ONLY \$159 ~~GET THIS YOU ACCESS~~



With SuperRich, you'll have exclusive access to incredible music, people don't even know exist, exclusive government and warehouse clearance auctions. Can you imagine not joining?

# INCREDIBLE SAVINGS

Could Be Yours! SwipeBucks Access Just \$3.95/mo. **\$15.00**

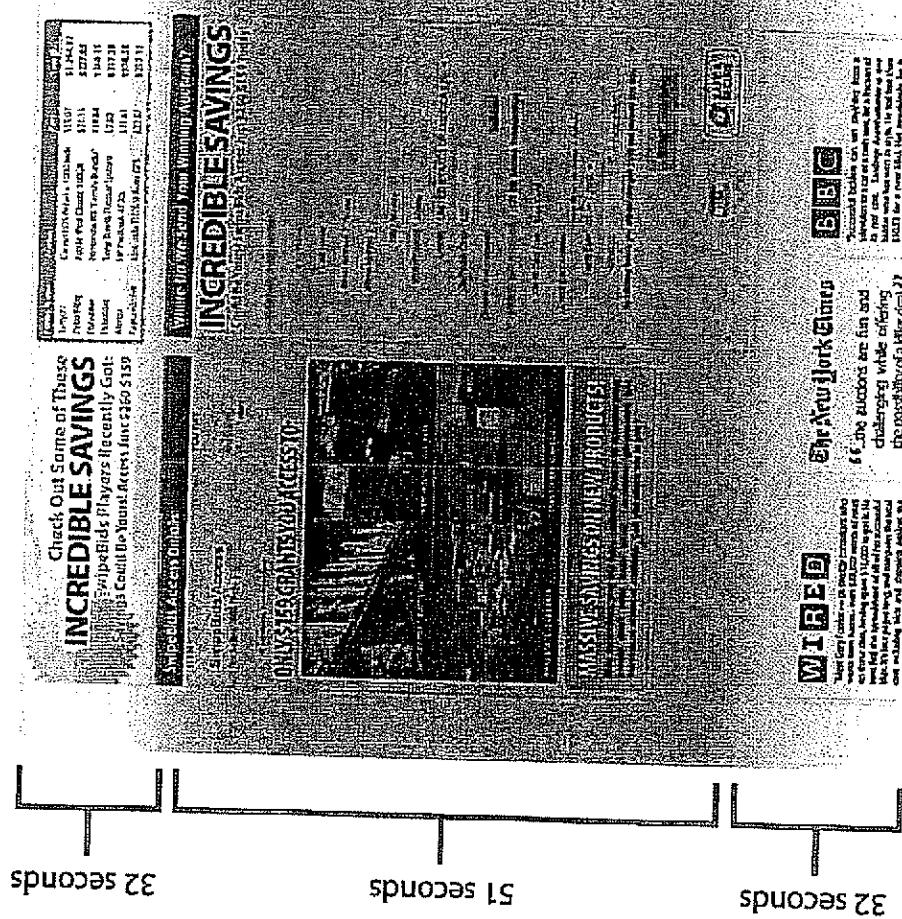
On our **SwipeBids** billing/checkout page, the price of joining is mentioned 5 times, including directly above the confirmation button.

### Start Bidding

## Our Dedication to Customer Satisfaction Billing Disclosure

A heat map shows the amount of time users spend with their web browsers scrolled to particular areas of a page. The yellow areas are viewed an average of 32 seconds per user, while the darker orange/red areas indicate an average of 51+ seconds per user.

With the majority of our pricing information within the red heat map zone, we feel this gives users an adequate amount of time to view and understand the cost of the membership.



(referenced from [www.clicktale.com](http://www.clicktale.com))

AVERAGE VIEW TIME PER USER

## Our Dedication to Customer Satisfaction Taking Steps to Improve

**We are continually taking steps to further improve our customer satisfaction. After reviewing our customer suggestions, we've taken the following steps to directly address possible areas of confusion:**

### e-Bay Comparison

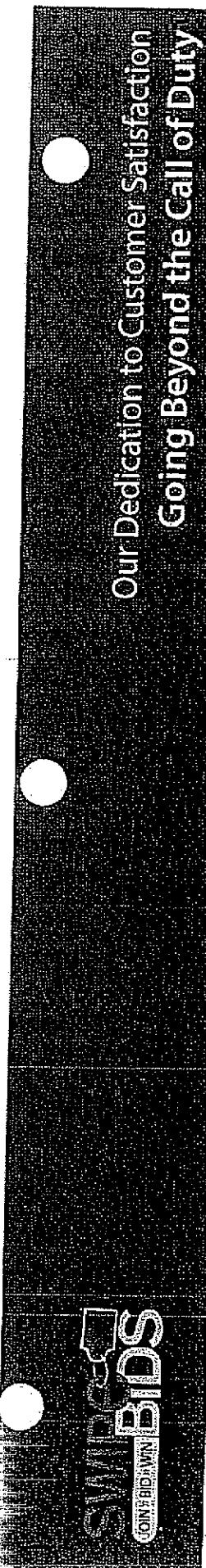
Some customers believed that, similar to e-Bay, the action of bidding was free. We have placed disclaimers, diagrams, and comparison charts on the site to clarify that we are not an e-Bay style auction site.

### Billing Disclosure

We have clearly placed the cost of joining Swipebids in 5 places on the billing page, each placement within the most viewed area of the page (based on clicktale.com research).

### 24/7 Live Chat

Quick, easy on-site method for customers to talk with a representative if they have any questions or concerns.



**SwipeBids**  
Join Bid Win Bids

## Our Dedication to Customer Satisfaction Going Beyond the Call of Duty

We now have a department of customer service specifically trained to address and satisfy the needs of customers who may have expressed an informal complaint on a web site forum or blog etc. Listed below is the process we execute to make sure our customers are satisfied:

### 1. Search the web for customer complaints

We search through forums and blogs and review sites for SwipeBids customers who may have expressed concern before/without contacting our Customer Service team.

### 2. Contact customer

We then find a way to contact the customer, whether through e-mail directly, or by leaving a reply comment with personal contact details of one of our Customer Service agents.

### 3. Resolve customer complaint

Finally we will go to whatever means necessary to make sure our customer is satisfied.

**Our Dedication to Customer Satisfaction**  
**Hassle-Free Customer Service**

**To ensure our customers can easily contact us for any reason, we have put in place the following methods of contacting our customer service:**

**24/7 Live Chat**

Quick, easy, on-site method for customer to talk with a customer service representative if they have any questions or concerns.

**VIP Support Team**

Regular customers can directly e-mail one of our full-time VIP support staff via e-mail, for quick and effective responses to questions.

**Customer Service Call-Center**

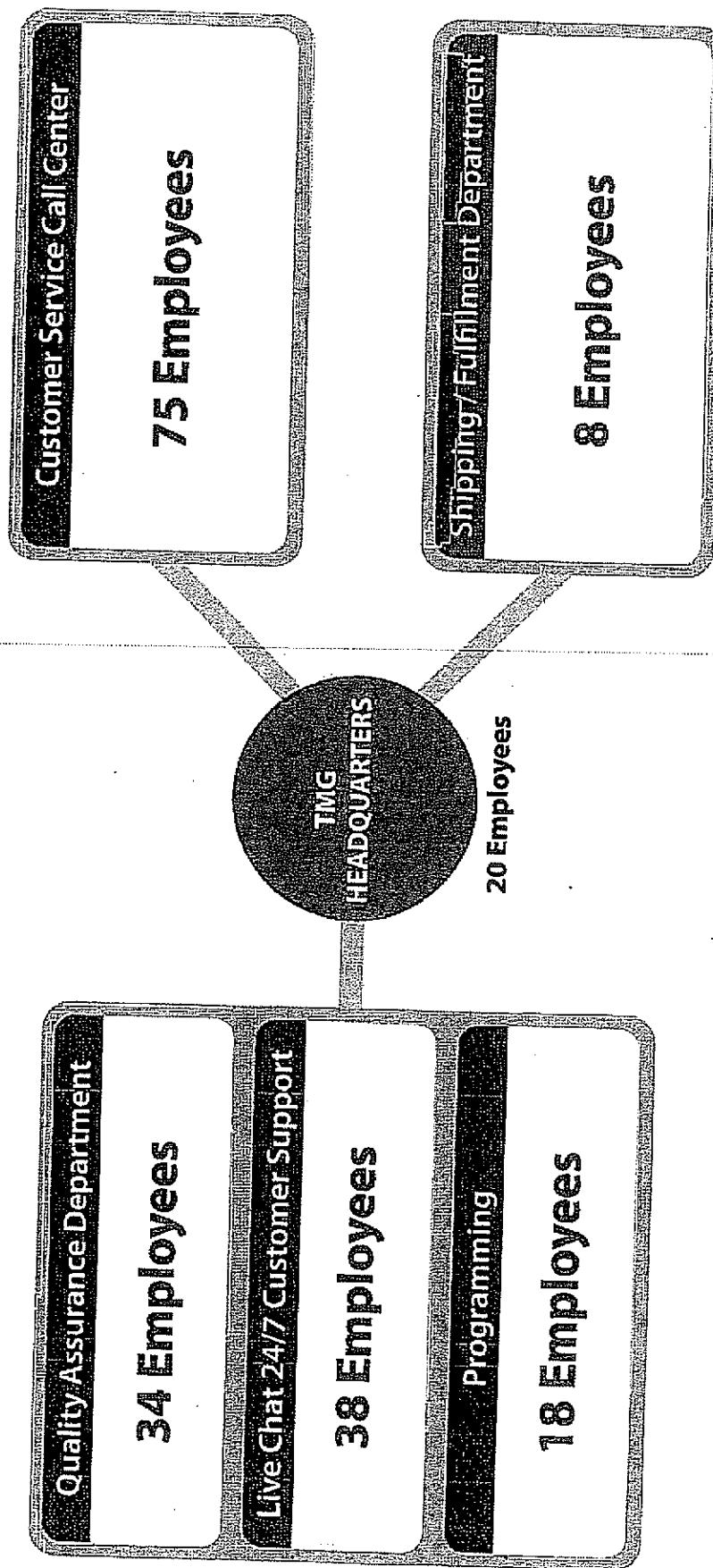
Customers can also call our 1-800 number to speak directly with one of our representatives. Our customer service center features very low hold times, and easy refund policies.

**JOIN NOW WIN BIDS**

## Our Dedication to Customer Satisfaction Our Corporate Structure

In order to better serve our customers, we've structured our company to employ specific departments to effectively deal with each challenge as they arise.

### TERRA MARKETING GROUP

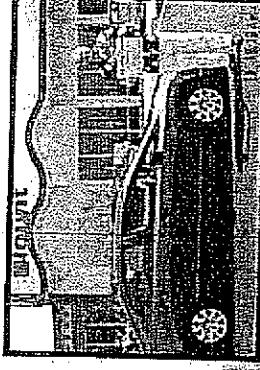
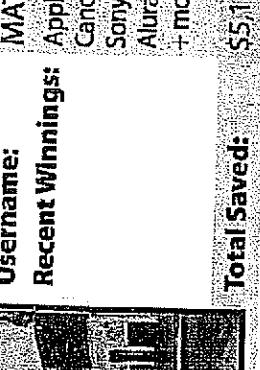


ON BIDMAN BIDS

# Our Dedication to Customer Satisfaction

## Our Winners

Among the many customers who have sent us testimonials, we'd like to showcase a few of our top winners who demonstrate the level of success possible on SwipeBids.

<p><b>Username:</b> Tryagain2</p> <p><b>Recent Winnings:</b> 2010 Honda Civic MacBook XBOX 360 Elite Sony Playstation 2 + more</p> <p><b>Total Saved:</b> \$32,822.04</p> 	<p><b>Username:</b> PBB1201</p> <p><b>Recent Winnings:</b> 2010 Honda Civic Apple iPad 16gb WiFi Panasonic 32" HDTV Diamond Necklace + more</p> <p><b>Total Saved:</b> \$60,250.30</p> 	<p><b>Username:</b> Killerplause</p> <p><b>Recent Winnings:</b> 2010 Honda Civic MacBook Pro Apple iPad 16gb WiFi Motorola Auto GPS + more</p> <p><b>Total Saved:</b> \$152,936.40</p> 
<p><b>Username:</b> Jumong820</p> <p><b>Recent Winnings:</b> Sony PSP Black Apple iPad 16gb WiFi HP ProBook 4720s Sony Bravia Home Theater + more</p> <p><b>Total Saved:</b> \$8,087.59</p> 	<p><b>Username:</b> rctremittiere</p> <p><b>Recent Winnings:</b> Sony Bravia Home Theater Aluratek Media Player HP iPAQ Pocket PC Nintendo Wii Family + more</p> <p><b>Total Saved:</b> \$16,645.61</p> 	<p><b>Username:</b> MATT4UPA</p> <p><b>Recent Winnings:</b> Apple iPod Classic 160gb Canon EOS Rebel XTI Sony Bravia Home Theater Aluratek Media Player + more</p> <p><b>Total Saved:</b> \$5,113.27</p> 

Our Dedication to Customer Satisfaction  
**Thank You**



**Thank You**

Thank you for taking the time to review our presentation.

BBB® Serving Central and Northern Alberta  
888, 9707 110th Street  
Edmonton, AB T5K 2L9  
(800) 232-7298  
[www.edmontonbbb.org](http://www.edmontonbbb.org)

BBB Reliability Report for

## 1524948 Alberta Ltd

### BBB Rating D-

BBB issues Reliability Reports on all businesses, whether or not they are BBB accredited. If a business is a BBB Accredited Business, it is stated in this report.

#### BBB Accreditation

Businesses are under no obligation to seek BBB accreditation, and some businesses are not accredited because they have not sought BBB accreditation. This business is not a BBB Accredited Business.

#### BBB Rating

Based on BBB files, this business has a BBB Rating of D- on a scale from A+ to F.

Factors that lowered this business' rating include:

- Length of time business has been operating.
- 529 complaints filed against business
- 71 complaints filed against business that were not resolved.

Factors that raised this business' rating include:

- Response to 529 complaint(s) filed against business.
- BBB has sufficient background information on this business.

#### Business Contact and Profile

Name: 1524948 Alberta Ltd

Phone: (866) 521-8873

Fax: (866) 389-3870

Address: 300 85 Cranford Way

Sherwood Park, AB T8H 0H9

**Brozek Attachment F**

<http://www.bbb.org/edmonton/business-reviews/internet-auction-service/1524948-alberta-ltd> 3/7/2011

Website: [www.swipeauctions.com](http://www.swipeauctions.com)  
[www.swipebidscs.com](http://www.swipebidscs.com)  
[www.swipeauctions.com](http://www.swipeauctions.com)  
[www.swiperefund.com](http://www.swiperefund.com)

Original Business Start Date: March 2010

Principal: Mr. Jesse Willms, Owner

Customer Contact: Mr. Jesse Willms, Owner

Entity: Limited

Incorporated: March 2010, AB

Employees: 20

Type of Business: Internet Auction Service

BBB Accreditation: This company is not a BBB Accredited business.

Additional DBA Names: Swipebids  
SwipeAuctions.com  
Swipebids.com  
Sphere Media LLC  
Terra Marketing Group  
TMG Company

The company is currently stating the following:

Swipeauctions is winding down operations due to merchant shutting down our processing and is no longer accepting new customers. In addition, Swipeauctions will not issue refunds for membership fees (see the Swipeauctions' Terms & Conditions). During Swipeauctions' wind down period, all products corresponding to already paid winning auction... (click here to read full journal entry)s will be shipped in accordance with the Terms & Conditions.

The BBB fully encourages consumers with difficulties to use the BBB complaint reconciliation process.

But in addition to filing a complaint with the BBB, the BBB STRONGLY suggests that consumers with concerns about this business contact the following organizations:

---

Service Alberta  
3rd Fl-10155 102 St North Field Services, Licensing  
Edmonton, AB T5J 4L4

Phone: (780) 427-4088  
Toll Free (In Alberta): 1-877-427-4088  
Website: [www.servicealberta.gov.ab.ca](http://www.servicealberta.gov.ab.ca)

Complaints can be filed online.

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Competition Bureau  
50 Victoria St  
Hull, QC K1A 0C9

Phone: 1-800 348-5358  
Fax: 819 997-0324  
Website: [www.competitionbureau.gc.ca](http://www.competitionbureau.gc.ca)

Complaints can be filed on-line under the "Contact Us" section of the website and they can also be faxed or mailed in.

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The Internet Crime Department of the FBI.  
Website: [www.ic3.gov](http://www.ic3.gov)  
Complaints can be filed online

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FTC (Federal Trade Commission)

Mail:  
Federal Trade Commission  
Consumer Response Center  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Phone toll-free: 1-877-382-4357

Website: [www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov)

Complaints can be filed online  
Products and Services

Swipeauctions.com is an online penny auction site.

Business Management

<http://www.bbb.org/edmonton/business-reviews/internet-auction-service/15...> 3/7/2011

Additional company management personnel include:

Ms. Christal Campbell - Customer Support

This company is owned by Jesse Willms. He also owns another company 1021018 Alberta Ltd. A separate BBB report is available here:

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-unproven/1021018-alberta-ltd-in-sherwood-park-ab-153474>

**Additional Locations and Phone Numbers**

**Additional Addresses**

20 SW 27 St  
Pompano Beach, FL 33069

A2-K271 3124 S Parker Rd  
Aurora, CO 80014  
Tel: (866) 389-3870

200 9980 South 200 West  
Sandy, UT 84070

**Additional Phone Numbers**

Tel: (866) 336-6735

**Additional Email Addresses**

[support@swipeauctions.com](mailto:support@swipeauctions.com)  
[support@swipebids.com](mailto:support@swipebids.com)

**Customer Complaint History**

When considering complaint information, please take into account the company's size and volume of transactions, and understand that the nature of complaints and a firm's responses to them are often more important than the number of complaints.

BBB processed a total of 529 complaints about this company in the last 36 months, our standard reporting period. Of the total of 529 complaints closed in 36 months, 529 were closed in the last year.

**Advertising Issues**

Resolved

10 - Company resolved the complaint issues. The consumer acknowledged

<http://www.bbb.org/edmonton/business-reviews/internet-auction-service/15...> 3/7/2011

acceptance to BBB.

- 21 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.
- 2 - Company offered a partial (less than 100%) settlement which the consumer failed to acknowledge acceptance to BBB.

#### Administratively Closed

- 3 - BBB determined the company made a reasonable offer to resolve the issues, but the consumer did not accept the offer.
- 1 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.
- 1 - BBB determined that despite the company's reasonable effort to address complaint issues, the consumer remained dissatisfied.

#### Contract Issues

##### Resolved

- 2 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

#### Billing or Collection Issues

##### Resolved

- 28 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 55 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.
- 8 - Company offered a partial (less than 100%) settlement which the consumer failed to acknowledge acceptance to BBB.

##### Unresolved

- 2 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

##### Administratively Closed

- 6 - BBB determined the company made a reasonable offer to resolve the issues, but the consumer did not accept the offer.
- 3 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

#### Sales Practice Issues

##### Resolved

- 39 - Company resolved the complaint issues. The consumer acknowledged

acceptance to BBB.

36 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

5 - Company offered a partial (less than 100%) settlement which the consumer failed to acknowledge acceptance to BBB.

#### Unresolved

7 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

#### Administratively Closed

2 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

7 - BBB determined the company made a reasonable offer to resolve the issues, but the consumer did not accept the offer.

1 - BBB determined that despite the company's reasonable effort to address complaint issues, the consumer remained dissatisfied.

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### Delivery Issues

#### Resolved

1 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.

1 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

#### Unresolved

3 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

#### Administratively Closed

1 - BBB determined the company made a reasonable offer to resolve the issues, but the consumer did not accept the offer.

1 - BBB determined that despite the company's reasonable effort to address complaint issues, the consumer remained dissatisfied.

1 - The parties could not provide sufficient information to support their positions nor were they agreeable to make reasonable efforts toward resolving the issues of the dispute.

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### Service Issues

#### Resolved

1 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.

## Customer Service Issues

### Resolved

- 4 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 3 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

## Guarantee or Warranty Issues

### Resolved

- 2 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 11 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.
- 10 - Company offered a partial (less than 100%) settlement which the consumer failed to acknowledge acceptance to BBB.

### Unresolved

- 10 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

### Administratively Closed

- 3 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

## Product Issues

### Administratively Closed

- 1 - BBB determined that despite the company's reasonable effort to address complaint issues, the consumer remained dissatisfied.

## Refund or Exchange Issues

### Resolved

- 49 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 47 - Company offered a partial (less than 100%) settlement which the consumer failed to acknowledge acceptance to BBB.
- 65 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

### Unresolved

- 49 - Company failed to resolve the complaint issues through BBB voluntary and

self-regulatory process.

#### Administratively Closed

- 8 - BBB determined the company made a reasonable offer to resolve the issues, but the consumer did not accept the offer.
- 10 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.
- 3 - BBB determined that despite the company's reasonable effort to address complaint issues, the consumer remained dissatisfied.
- 5 - BBB determined that while the company addressed the complaint issues, the complainant was dissatisfied and the matter was outside BBB Rules of Arbitration.
- 1 - The parties could not provide sufficient information to support their positions nor were they agreeable to make reasonable efforts toward resolving the issues of the dispute.

#### Government Actions

BBB has no information regarding government actions at this time.

#### Advertising Review

This company has stated that the website [www.channel9newstoday.com](http://www.channel9newstoday.com) is not directly owned by them. They did state that they have hired an affiliate advertising firm to provide them advertising from that site.

[www.channel9newstoday.com](http://www.channel9newstoday.com) is an advertising website that is designed to look like a legitimate and independent news story.

If a consumer carefully looks through the site they will find the following disclaimer: "Advertisorial" & "The story depicted on this site and the person depicted in the story are not real. Rather this story is based on the results that some people who have used these products have achieved. The results portrayed in the story and in the comments are illustrative and may not be the results that you achieve with these products. This page receives compensation for clicks on or purchase of products featured on this site."

#### Industry Tips

#### Penny Auctions

Penny auctions are part of a booming online frontier. Some sites make fantastic claims of savings, on average, of 80 percent over retail, which may or may not be true.

Penny auction sites can have initial sign up fees and confusing terms and conditions. Be aware of the company's specific:

- \* Sign up fee (or lack thereof);
- \* Ongoing subscriptions/membership fees;

- Minimum bidding activity;
- Maximum prize amounts;
- Refund policies; and
- Full contact information (legal name, physical address, phone number, etc.)

The penny auction industry currently has little in the way of industry safeguards or oversight.

Un-reputable penny auction site operators will find programmers to write code which will cheat consumers. One of the most common ways to do that is by deploying "bots". Bots look like human bidders from the outside but are, in fact, computer programs created to bid up the item price and possibly even win it, so that the auction operator doesn't actually have to part with any merchandise.

Only use auction sites that have express safe guards against shill bidding. Shill bidding is bidding that artificially increases an item's price or apparent desirability.

Some key things to know about penny auctions compared to other auctions are:

- \* You buy the bids as either part of a registration fee or in packs, of all denominations going up to hundreds of dollars.
- \* When someone bids on an item, the price of the item goes up by a uniform increment, as in a regular auction, but each bid also adds a set amount of time to the clock. This is explained as giving everybody else a chance to bid again and again; similar to the process to the "going ... going ... gone" phase of some live auctions.
- \* When you place a bid it is used, no matter if you win or lose the auction. This means a failed attempt to win an item can cost you as much as a successful attempt.
- \* Some sites offer a "Buy it Now" option to frustrated bidders on most items. This means that if you lose an auction, you can actually buy another of the same item for a quoted retail price minus the amount you bid. Sometimes the "buy it now" function can be a good indicator of whether a site is legitimate or not. Also consider how much traffic the site gets, if they have a large number of items up for bid and the company's reputation with other consumers.

In theory, you could snag your desired item for a fraction of its retail price plus shipping. In reality, you're probably going to be squaring off with other bidders for hours, or competing with bidding software.

Remember to check out the BBBs reports on these companies, watch their site for a few days, look for mentions of the site online by other consumers and find a site that has items you want to buy. When in doubt, check it out.

#### **BBB Copyright and Reporting Policy**

As a matter of policy, BBB does not endorse any product, service or business.

BBB Reliability Reports are provided solely to assist you in exercising your own best judgment. Information in this BBB Reliability Report is believed reliable, but not guaranteed as to accuracy.

BBB Reliability Reports generally cover a three-year reporting period. BBB Reliability Reports are subject to change at any time.

If you choose to do business with this business, please let the business know that you contacted BBB for a BBB Reliability Report.

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Report as of March 7, 2011 23:54

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## **BBB Consumer Tip - Penny Auctions**

Posted Tuesday, August 24, 2010  
by BBB of Central & Northern Alberta



Penny auctions are part of a booming online frontier. Some sites make fantastic claims of average savings, of 80 percent over retail, which may or may not be true.

Penny auction sites can have initial sign up fees and confusing terms and conditions. Be aware of the company's specific:

- Sign up fee (or lack thereof);
- Ongoing subscriptions/membership fees;
- Minimum bidding activity;
- Maximum prize amounts;
- Refund policies; and
- Full contact information (legal name, physical address, phone number, etc.)

The penny auction industry currently has little in the way of industry safeguards or oversight.

Un-reputable penny auction site operators will find programmers to write code which will cheat consumers. One of the most common ways to do that is by deploying "bots". Bots look like human bidders from the outside but are, in fact, computer programs created to bid up the item price and possibly even win it, so that the auction operator doesn't actually have to part with any merchandise.

Only use auction sites that have express safe guards against shill bidding. Shill bidding is bidding that artificially increases an item's price or apparent desirability.

Some key things to know about penny auctions compared to other auctions are:

- You buy the bids as either part of a registration fee or in packs, of all denominations going up to hundreds of dollars.
- When someone bids on an item, the price of the item goes up by a uniform increment, as in a regular auction, but each bid also adds a set amount of time to the clock. This is explained as giving everybody else a chance to bid again and again, similar to the process to the "going ... going ... gone" phase of some live auctions.
- When you place a bid it is used, no matter if you win or lose the auction. This means a failed attempt to win an item can cost you as much as a successful attempt.
- Some sites offer a "Buy it Now" option to frustrated bidders on most items. This means that if you lose an auction, you can actually buy another of the same item for a quoted retail price minus the amount you bid. Sometimes the "buy it now" function can be a good indicator of whether a site is legitimate or not. Also consider how much traffic the site gets, if they have a large number of items up for bid and the company's reputation with other consumers.

**Brozek Attachment G**

In theory, you could snag your desired item for a fraction of its retail price plus shipping. In reality, you're probably going to be squaring off with other bidders for hours, or competing with bidding software.

Remember to check out the BBB's reports on these companies, watch their site for a few days, look for mentions of the site online by other consumers and find a site that has items you want to buy. When in doubt, check it out.

## BBB 2010 Annual Top 10 Complaints & Inquiries

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Between January 1, 2010 and December 31, 2010 BBB of Central and Northern Alberta received the following complaints and inquiries about businesses in the following industries: (Ranked from highest to the lowest)

**Complaints**

1. Health & Medical Products  
Scientifically Unproven
2. Internet Auction Service
3. Furniture-Retail
4. Auto Dealers-New Cars
5. Home Builders
6. Movers
7. Wireless Communication
8. Plumbing Contractors
9. Contractors-General
10. Roofing Contractors

**Inquiries**

1. Home Builders
2. Movers
3. Auto Dealers-New Cars
4. Roofing Contractors
5. Contractors-General
6. Internet Auction Service
7. Plumbing Contractors
8. Windows
9. Home Improvements
10. Health & Medical Products  
Scientifically Unproven

\*Click the highlighted titles, above, to file a complaint or inquire about a business. To search for BBB Accredited businesses or additional categories, of goods and services, click [here](#).

**Brozek Attachment H**



Better Business Bureau  
Of Central & Northern Alberta  
888-9707 110 St  
Edmonton, AB T5K 2L9

## MEDIA RELEASE

### December 2010 Top 10 Complaints & Inquiries

**Edmonton, AB (January 12, 2011):** Between Dec 1 and 31, 2010, BBB® of Central and Northern Alberta received the most inquiries and complaints about the following industries: (Ranked from highest to lowest)

	<b>Complaints</b>		<b>Inquiries</b>
1.	Internet Auction Service	1.	Home Builders
2.	Furniture – Retail	2.	Auto Dealers – New Cars
3.	Auto Dealers – New Cars	3.	Movers
4.	Health & Medical Products - Scientifically Unproven	4.	Contractors - General
5.	Roofing Contractors	5.	Plumbing Contractors
6.	Home Builders	6.	Furniture – Retail
7.	Beauty Salons	7.	Heating & Air Conditioning
8.	Appliances – Small Service & Repair	8.	Auto Repair & Service
9.	Home Improvements	9.	Home Improvements
10.	Siding Contractors	10.	Auto Dealers – Used Cars

The following is a consumer tip from the BBB of Central and Northern Alberta .

#### **Gym Memberships**

Did you make a New Year's resolution to feel better about yourself, get healthy or lose some weight? If you did, you aren't alone. Each January, thousands of Canadians sign up for gym memberships to do exactly that. But before you join a gym, do some research. Here are five questions to answer before signing a contract.

##### **1. How can I get out of my contract?**

Most gyms charge a cancellation fee and require you to follow a cancellation procedure before they'll cancel your contract. Make sure you understand and agree with what the cost in time and money would be to cancel your membership.

**2. Will my membership renew automatically?**

Some gyms automatically renew their memberships. Find out in advance if this is the case with your gym.

**3. What happens if I move?**

Gyms can have a number of different policies when it comes to how moving effects your membership. Some may have new locations that you can use, while some may not. If not, the gym isn't responsible to let you out of a contract to find a more convenient location. Find out before signing the contract.

**4. Does this gym fit my needs?**

Determine your fitness goals and gym requirements. Make sure the gym's hours of operation, equipment, policies and average crowd size fit what you're looking for.

**5. What are the terms of any introductory offers?**

Gyms often use introductory offers to entice new members. Ask about the terms of these offers. When they expire and if your monthly membership will increase after they do?

Contact the BBB of Central and Northern Alberta 780-482-2341 or toll free 1-800-232-7298 if you need more information.

Consumer tips and media releases, from BBB of Central and Northern Alberta, can also be found on our [Homepage](#), [Blog](#) and [News Centre](#). Please feel free to subscribe to our [RSS feed](#) to receive BBB news at your computer. We also have a [Facebook Fan Page](#) and you can follow us on [Twitter](#).

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**For media inquiries please contact:**

Ron Mycholuk, Community Consultant  
BBB® Serving Central and Northern Alberta  
**Phone:** (780) 488-6632 Ext. 232 **Toll Free:** 1 (800) 232-7298  
**Email:** [ron@edmontonbbb.org](mailto:ron@edmontonbbb.org)